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# City of Detroit

## CITY COUNCIL

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TO: The Honorable City Council

FROM: David Whitaker, Director  
Legislative Policy Division Staff

DATE: May 12, 2014

RE: **REVIEW OF CONTRACTS AND PURCHASING FILES**

Attached is the list of contracts and purchase orders recommended by the Finance Department, Purchasing Division. The items are submitted to the City Council for referral to the Committees on May 13, 2014.

The comments and review of the Legislative Policy Division staff are printed in bold following the contracts.

### Attachments

cc:	Janice Winfrey	City Clerk
	Mark Lockridge	Auditor General
	Palencia Mobley	Mayor's Liaison
	Boysie Jackson	Purchasing Division
	Irvin Corley	Legislative Policy Division
	Marcell Todd	Legislative Policy Division

Statistics compiled for the list of Contracts and Purchases submitted for referral on May 13, 2014.

<b>Department</b>	<b>No. of Contracts or Purchase Orders</b>	<b>Detroit-Based Business Bids</b>	<b>Change, Extension Increases, Renewals</b>	<b>Located in Detroit</b>
Auditor General	1	0	1 Amendment	1
Build. & Safe.Eng.	1	0	0	1
Planning & Developmt	1	0	1 Extension	1
Police	3	0	1 Purchase Increase 1 Renewal	2
Transportation 1 Confirming Requisition	2	0	1 Renewal	0
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<b>Totals</b> <b>1 Revenue Agreement</b>	<b>8</b>	<b>0 Detroit-Based Business Bids</b>	<b>1 Amendment</b> <b>1 Extension</b> <b>1 Purchase Increase</b> <b>2 Renewals</b>	<b>5</b>

The Honorable City Council  
Contracts and Purchase Orders, Statistics  
Items Submitted for May 13, 2014

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This list represents appropriations totaling approximately \$ 3,976,269.07<sup>1</sup>

Included in the total costs are the following:

City General Fund	\$ 2,619,288.00
Grant Funds	\$ 1,209,263.00
Transportation Funds	\$ 147,718.07

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<sup>1</sup> This list includes: Contracts renewed / extended for 1 year, Contract costs changed, and New contracts for 1 year.  
*Contracts and Purchase Orders submitted for City Council Session of May 13, 2014*

TO: The Honorable City Council

FROM: David Whitaker, Director  
Legislative Policy Division Staff

DATE: May 12, 2014

RE: **CONTRACTS AND PURCHASE ORDERS SCHEDULED TO BE CONSIDERED AT  
THE FORMAL SESSION OF MAY 13, 2014**

### **AUDITOR GENERAL**

2761395 100% Other Funding – To Provide Auditing Services for Preparation of City's Comprehensive Annual Financial Report (CAFR) – Contractor: KPMG LLP, Location: 150 West Jefferson Ave., Suite 1200, Detroit, MI 48226 – Contract Period: April 10, 2008 through June 30, 2015 – Increase Amount: \$1,974,403.00 – Contract Amount: \$22,186,223.00

This is Amendment #6 to request additional funds to the existing contract – Original Contract: \$20,211,820.00

**Costs budgeted to General Fund, Acct. 1000-500025-0-611200-12680-0-0, Appropriation for Auditing – CAFR includes available funding of \$27,873 as of May 9, 2014; Additional costs of this Amendment will be incurred in the next fiscal year, the appropriation for 2014-2015 will hopefully include the additional costs of this contract amendment.**

**This contract was initially approved May 6, 2008 for a cost of \$7,095,700, for a term of over 2 years, through Sept. 2010, to provide services for the audit of the City's Comprehensive Annual Financial Report (CAFR) and the Single Audits for the fiscal years ending June 30, 2007, 2008 and 2009. Services also include separate audited financial statements for Municipal Parking, the Water Fund, and the Sewerage Disposal Fund.**

**There have been 5 previous amendments to this contract, extending the contract through June 30, 2015. Amend. 4, extended the contract through March 31, 2012 and increased contract costs by \$2,190,505 to a total of \$15,173,658, over the 4-year term.**

**Amendment 5, approved February 28, 2012, extended the contract through June of 2015 and provided for decreases in the billable hourly rates - 10% decrease for the period from March 1, 2012 to June 30, 2012, for a cost not to exceed \$1,971,455; 20% decrease in rates for the period from July 1, 2012 through June 30, 2015 for an annual cost not to exceed \$1,752,404, for an increase of \$5,038,162 for a total of \$20,211,820.**

**The rates approved with Amend. 5 were indicated to be competitive. Prior to the end of the authorized term, through June 2015, the Purchasing Division agreed to competitively bid the contract services to determine if the City should extend the contract for the 2 remaining optional years.**

*Contract Discussion continues on following page*

**Auditor General - continued**

2761395 100% Other Funding – To Provide Auditing Services for Preparation of City's Comprehensive Annual Financial Report (CAFR) – Contractor: KPMG LLP, Location: 150 West Jefferson Ave., Suite 1200, Detroit, MI 48226 – Contract Period: April 10, 2008 through June 30, 2015 – Increase Amount: \$1,974,403.00 – Contract Amount: \$22,186,223.00

This is Amendment #6 to request additional funds to the existing contract – Original Contract: \$20,211,820.00

***Contract Discussion continued***

This 6<sup>th</sup> Amendment represents the costs of additional services. Costs for the 2012 Audits were increased by \$409,786 for additional services that included: 6 additional Federal Major Programs (\$337,296), DWSD procedures over swap terminations (\$34,490), and Central going concern analysis (\$38,000) for a total cost for the 2012 CAFR of \$2,162,190.

The costs for the 2013 CAFR and Single Audit are increased from the previous estimated total of \$1,752,404, with an increase of \$1,564,617 to a Total cost for 2013 of \$3,317,021.

The 2013 costs indicated to include: CAFR for \$1,905,481; Water for \$205,000; Sewer for \$205,000; Municipal Parking for \$105,00; Single Audit costs of \$75,000 each for 14 Federal Grant Programs for a total of \$1,050,000.

The Contract Rates for services range from \$93 per hour for Associates to \$285 per hour for Partner services.

*A second contract with KPMG, No. 2763564, provides for accounting and audit services of the Department of Transportation; Amendment 3 to this contract was submitted the Week of December 17, 2012, extending the contract services through June 30, 2015, for a cost of \$153,460 per year for the 3 year extension, an increase of \$460,380 to a Total of \$1,362,386 (Contract term began May 6, 2008).*

*According to information included with Contract 2761395, the DOT costs may also be increased.*

The services continue to include: Opinion on the City's financial statements; Report on Internal Control over Financial Reporting, Compliance and other matters; Disclosure of any irregularities; Available for up to 1 public meeting with the City Council to discuss audit findings and recommendations, in addition to a formal presentation of the Auditor's report and opinion; 1-Day seminar each year to discuss Generally Accepted Governmental Auditing Standards and Generally Accepted Accounting Principals to the Office of the Auditor General staff.

Covenant of Equal Opportunity Affidavit signed 1-28-14; TAXES – Clearances are in process; Slavery Era Records Disclosure Affidavit signed 1-30-14, indicating business established 1897, no records to disclose; Hiring Policy Compliance Affidavit signed 1-30-14,

## **BUILDING AND SAFETY**

2892271 100% City Funding – To Provide Gas Disconnect Service for the Purpose of Demolitions – Contractor: DTE Energy, Location: 1 Energy Plaza, Detroit, MI 48226 – Contract Period: May 1, 2014 through April 30, 2015 – Contract Amount: \$1,100,000.00

This is a Sole Source Contract

**Costs are 100% Federally Funded – not City Funded as indicated above.**

**Costs budgeted to 2 accounts as follows:**

**\$1,000,000 to Block Grant Fund, Acct. 2001-1300771-000021-617900-10829-0-A4010, Appropriation for Demolition B & SE includes available funding of \$5,202,770 as of May 9, 2014;**

**\$100,000 to Neighborhood Stabilization Program Fund, Acct. 2004-364054-0-622975-12936-0-0, Appropriation for NSP Demolition includes available funding of \$373,517 as of May 9, 2014.**

**The utility service charges, authorized by the Public Service Commission, include: Cut and Cap Charge of \$720 for a routine residential service; the charge for a non-routine, commercial, or industrial cut and cap of gas service line, for the purpose of demolition, is the greater of \$720 or time and materials.**

**At the \$720 rate, the contract provides for gas disconnect at approximately 1,500 addresses.**

**Contract checklist, not dated, indicates this contract is essential, buildings authorized to be demolished cannot be demolished without disconnecting utilities; DTE is indicated to be the Sole Provider of the disconnect services within its service territory.**

**Covenant of Equal Opportunity Affidavit signed 10-31-13; TAXES: Good Through 2-28-15 and 6-30-14; Slavery Era Records Disclosure Affidavit signed 10-31-13, indicating NO records to disclose; Hiring Policy Compliance Affidavit NOT SIGNED, Employment application does inquire if applicant convicted or plead guilty to felony or misdemeanor, and that the information is not considered until after determination of basic qualification.**

## **PLANNING AND DEVELOPMENT**

2867322 50% City, 50% Federal Funding – To Provide Historic Property Reviews and Site Improvements to the Detroit Historic District Commission – Contractor: The Mannik & Smith Group, Inc., Location: 65 Cadillac Square, Suite 3311, Detroit, MI 48226 – Contract Period: July 1, 2012 through December 31, 2015 – Increase Amount: \$218,526.00 – Contract Amount: \$437,052.00

This is Amendment #1 to request additional funds to the existing contract – Original Contract: \$218,526.00

**Costs indicated to be budgeted to 2 accounts, in the amount of \$109,263 each:**

**Block Grant Fund, Acct. 2001-364069-0-617900-13611-0-0, Appropriation for Sec. 106 Clearances includes available funding of \$115,280 as of May 9, 2014; and**

**General Fund, Acct. 1000-360105-0-617900-00883-0-0, Appropriation for Development – City includes available funding of \$503,224 as of May 9, 2014.**

**Contract 2867325** was approved with The Mannik & Smith Group Oct. 2, 2012 for the term from July 1, 2012 through June 30, 2013 for an Amount Not to Exceed \$218,526. This proposed Amendment No. 1 to Contract 2867322 appears to be the same contract. This proposed amendment extends the services 1 ½ years, from July 1, 2013 through December 2014 (**not Dec. 31, 2015 as indicated above**) with an increase of \$218,526 to the Contract Total cost.

Services provided to include: day to day administration of the City's 106 Program and to assist the Historic District Commission. Sec. 106 requires that all Federally funded projects (CDBG, HOME, Emergency Shelter) be reviewed to determine if federally funded projects, that include renovation, construction or demolition, will affect a Historic structure or property or archaeological resources. Services include complete research and review, and prepare related reports, communications and correspondence for P & DD to respond to the Michigan State Historic Preservation Office, the Advisory Council on Historic Preservation, Detroit Historic District Commission and the Historic Designation Advisory Board.

The initial submission of this contract in Sept. 2012 indicated the budgeted costs provided for: 2 full-time specialists, subcontractor for additional 1.5 hours per week; mileage and Other costs; for a total of \$242,806.70 – Contract costs were reduced by 10% to \$218,526.

Contract checklist, dated April 25, 2014, indicates this contract is essential for services to provide required historic review before demolition of any structure using CDBG funds and to assist with the review of requested renovations to structures in Historic Districts.

Covenant of Equal Opportunity Affidavit signed 7-23-13; TAXES: Good Through 4-27-15 and 6-30-14; Slavery Era Records Disclosure Affidavit signed 6-15-12, indicating business established 1955, no records to disclose; Hiring Policy Compliance Affidavit signed 6-15-12, Employment application submitted does not include a question inquiring about felony conviction, does request applicant to sign an authorization for investigation of any and all background information.

## **POLICE**

2771374 100% City Funding – To Provide a Maintenance Plan for the Police Department’s 800 MHZ Radio System – Contractor: Motor City Electric Technologies, Location: 9440 Grinnell, Detroit, Mi 48213 – Contract Period: August 24, 2008 through August 23, 2014 – Increase Amount: \$63,334.00 – Contract Amount: \$1,837,084.00

This is Amendment #2 to request additional funds to the existing contract – Original Contract: \$1,773,750.00

**Costs budgeted to General Fund, Acct. 1000-372321-004503-622300-11041-0-A1081, Appropriation for Technology Bureau includes available funding of \$11,359,370 as of May 9, 2014.**

**This request is for an increase in the costs to maintain the 800 MHZ Radio system by \$63,334. There is no extension of the contract term.**

**The contract was initially approved March 17, 2009, for a term from Aug. 23, 2008 through August 23, 2011, for a cost of \$825,000 (\$275,000 per year). The 1<sup>st</sup> Change, approved June 12, 2012, extended the term of the contract for 3 additional years, through August 23, 2014, and increased the costs by \$948,750 (\$316,250 per year).**

**Original scope of services provided for regular maintenance, as well as preventative and corrective maintenance for all system components at the Lyndon Road facility, and to maintain inventory of spare parts. Change No. 1 added maintenance of the Police Dept.’s MTZ Radio System, including all electrical systems, computer room mechanical systems and security equipment.**

*City Council may wish to inquire the reasons for the increase of \$63,334 in costs for the current term of this contract.*

**Contract checklist, dated March 31, 2014, indicates this contract is essential to provide regular maintenance services for the radio system.**

**Covenant of Equal Opportunity Affidavit signed 2-25-14; TAXES: Good Through 3-5-15 and 6-30-14; Slavery Era Records Disclosure Affidavit signed 2-25-14, indicating business established 1993, no records to disclose; Hiring Policy Compliance Affidavit signed 2-25-14, Employment Application submitted DOES INCLUDE a question if applicant convicted of any felonies.**



**Police Department - *continued***

2844554 100% (911 Surcharge) Funding — To Provide Software Maintenance, Support and Upgrades for Model Stratus 5600 2D02415 CAD/Ti and Fire Records – Contractor: Tiburon, Inc., Location: 3000 Executive Parkway, Suite 500, San Ramon, CA 94583 – Contract Period: December 15, 2013 through December 14, 2014 – Contract Amount: \$347,288.00

This is a Sole Source Contract

**Costs budgeted to General Fund, Acct. 1000-370700-000166-622300-09112-0-A1082, Appropriation for Enhanced E-911 includes available funding of \$5,435,962 as of May 9, 2014.**

**This request is to renew the contract an additional year, for the indicated cost of \$347,288.**

**The contract was initially approved June 14, 2011 for a term of 1 year, Dec. 2010 through Dec. 14, 2011, for a cost of \$300,149. The contract provides it may be renewed annually until the contract is terminated. The contract has been renewed twice - Nov. 20, 2012 for a cost of \$315,000 (5% increase); and May 7, 2013, for the term from Dec. 15, 2012 through Dec. 15, 2013, for a cost of \$330,750 (5% increase).**

**This renewal includes an increase of \$16,538 (5%) in the cost for software maintenance, support and upgrades to the indicated cost of \$347,288.**

**Contract services is for software licensing, support and maintenance of the Computer-Aided Dispatch (CAD) system, and the Mobile Data System that is part of the mapping and 911 systems required for responding to emergency calls.**

**Purchasing Division authorized Tiburon as a Sole Source, as the owner and licensor of the proprietary software, and only provider for maintenance and upgrades to the Police Dispatch system, on April 30, 2014. The CAD, 911, Mapping and Mobile Data Systems software was purchased from Tiburon in 2005. The 2-year warranty expired Dec. 14, 2007**

**Covenant of Equal Opportunity Affidavit signed 5-29-12; TAXES: Good Through 4-25-14 and 12-30-14; Slavery Era Records Disclosure Affidavit signed 4-10-14, indicating no records to disclose; Hiring Policy Compliance Affidavit signed 4-10-14, submitted Employment application complies.**

**Police Department - *continued***

2888789 100% City Funding – To Provide Training on Real-Time Crime Analysis and Research Capacities, Conduct Analyses to Identify Crime Patterns, Hot Spots, Repeat Offenders and Evaluate Impact on Police Tactics and Operations – Contractor: Wayne State University, Location: 5057 Woodward Ave., 13<sup>th</sup> Floor, Detroit, MI 48202 – Contract Period: May 18, 2014 through May 17, 2015 – Contract Amount: \$125,000.00

**Costs budgeted to General Fund, Acct. 1000-370590-000165-617900-00119-0-A1081, Appropriation for Support Services Bureau includes available funding of \$9,086,261 as of May 9, 2014.**

**The proposed contract with Wayne State University is for a term of 1 year, for services provided by the Center for Urban Studies in collaboration with the Michigan State University's School of Criminal Justice. Services support the ongoing development of real-time crime analysis and the research capacity in the Police Dept. CompStat Unit. Services to enhance data-driven crime fighting capacity at the precincts through training, crime analysis assistance and computerized tools that provide accurate and timely intelligence.**

**Services provided by 6 graduate-level student to assist the CompStat Unit and 2 pilot precincts during 2014, focusing on analyses to identify crime patterns, hot spots, repeat offenders, and evaluating the impact of police tactics and operations. Students to work under the direction of David Martin (WSU), Ed McGarrell (MSU) and Captain Aric Tosqui (DPD, Crime Control Strategies).**

**Budgeted costs include: Personnel costs of \$119,868; Office supplies and computing for \$3,750; Local travel costs of \$1,384.**

**Contract checklist, dated Jan. 31, 2014, indicates this contract is essential for the technical assistance required to the Department's CompStat Unit.**

**Covenant of Equal Opportunity Affidavit signed 1-30-14; TAXES: Good Through 2-24-15 and 6-30-14; Slavery Era Records Disclosure Affidavit signed 1-30-14, indicating agency established 1868, no records to disclose; Hiring Policy Compliance Affidavit not included in the Purchasing File.**

## **TRANSPORTATION**

2839582 62.05% City, 28.43% State, 6.13% Federal, 3.39% Other Funding – To Provide Cleaning of Diesel Particulate Filters – Contractor: DFT Cleaning Specialists, Location: 5325 Outer Drive, Windsor, ON N9A6J3 – Contract Period: April 1, 2011 through March 31, 2015 – Contract Amount: \$103,000.00

This is a Contract Renewal

**Costs budgeted to Transportation Operation Fund, Acct. 5301-200290-000056-622900-00150-0-A3550, Appropriation for Vehicle Maintenance includes available funding of \$18,066,935 as of May 9, 2014.**

**This request is for the 1-year renewal of this contract, through March 31, 2015, for the indicated cost of \$103,000.**

**This contract was initially approved April 12, 2011 for a term of 3 years, through March 31, 2014, for a cost of \$214,500 (\$71,500 per year). Filters are picked up at DOT facilities, cleaned at the vendor's location in Windsor, shipped back. All expenses for transporting items across the border are to be paid by the vendor. Turn around time for the cleaning services estimated to be a maximum of 10 days, typical time indicated to be 5 days, from the time filters are picked up, to their shipment back to DOT facilities. Not cleaning the filters is indicated to be a violation of the EPA guidelines.**

**The contract was initially approved with an indicated cost of \$225 per each filter cleaned.**

**This request for the 1-year renewal is indicated to be for the same cost of \$225 each; however, the quantity of filters being cleaned appears to be increased from \$71,500 per year to \$103,000.**

**Contract checklist, dated Feb. 14, 2014, indicates this contract renewal is essential to keep the diesel particulate filters (DPF), used on all coaches, clean to avoid excess corrosion buildup and to prevent the toxins from being released into the air.**

**Covenant of Equal Opportunity Affidavit signed 9-25-13; TAXES: Good Through 10-24-14 and 6-30-14; Slavery Era Records Disclosure Affidavit signed 3-7-11, indicating business established 2009, no records to disclose; Hiring Policy Compliance Affidavit signed 9-25-13, Employment application form not used, solicits resumes only.**

**Transportation Department - continued**

*The following request is for approval of a Confirming Requisition to pay the invoices received for services provided without an approved contract in place.*

2889062 100% City Funding – Review of Worker’s Compensation Medical Bills – To Provide Payment for Outstanding Invoices from October 2013 through March 2014 – Contractor: Brown Rehab Management, Location: 29688 Telegraph Road, Suite 100, Southfield, MI 48034 – Contract Amount: \$44,718.07

**Costs budgeted to Transportation Operation Fund, Acct. 5301-200010-000054-617907-00146-0-A3550, Appropriation for Department Operations includes available funding of \$11,387,066 as of May 9, 2014.**

The Confirming Requisition was submitted by the Dept. of Transportation on May 1, and approved by the Purchasing Division on May 5, 2014.

This is for the payment for Workman’s and Non-Workman’s compensation; services provided by Brown Rehabilitation Management are indicated to be on-going and cannot be delayed pending renewal or a new contract.

This Purchase Order is for payment of 6 monthly invoices for non-workman’s compensation for medical bills paid October 2013 through March 2014.

The monthly invoices received include: October for \$2,786.86; November for \$12,097.98; December for \$10,480.89; January for \$2,737.44; February for \$4,934.79; and March for \$13,297.20.

City Council received a previous Confirming Requisition to pay invoices from Brown Rehabilitation (PO No. 2890214) approved April 8, 2014, for \$25,365.73 to pay invoices received for Workman’s and Non-Workman’s compensation payments for the months of October, November and December 2013; This previous Purchase Order No. 2890214 indicates the same invoice amounts for October, November and December as the currently proposed Purchase Order 2889062.

*City Council may wish to have the Department confirm there is no overlap or duplication in the requested payments.*

The City-Wide contract for review of Workers’ and non-workers’ Compensation Medical bills (Contract No. 2795330) with Brown Rehabilitation was initially approved Sept. 2009 for a term of 2 years, through May 2011, for a cost of \$944,000. The contract was extended twice, through May 2012 for increase of \$500,000; Extension 2 through May 2013, with an increase of \$500,000 to a total of \$1,944,000.

*Contract Discussion continues on the following page*

**Transportation Department - *continued***

2889062 100% City Funding – Review of Worker’s Compensation Medical Bills – To Provide Payment for Outstanding Invoices from October 2013 through March 2014 – Contractor: Brown Rehab Management, Location: 29688 Telegraph Road, Suite 100, Southfield, MI 48034 – Contract Amount: \$44,718.07

***Contract Discussion continued***

A 3<sup>rd</sup> Extension, for 1 year, through May 31, 2014, was submitted July 23, 2013 with an increase to the costs for \$600,000. This extension was NOT APPROVED on July 30, 2013. The contract expired as of May 31, 2013.

Contract checklist, dated May 1, 2014, indicates this contract is essential as part of the process for the payment of workman’s compensation claims submitted by DOT employees.

Covenant of Equal Opportunity Affidavit signed 10-28-13; TAXES: Good Through 3-29-15 and 6-30-14; Slavery Era Records Disclosure Affidavit signed 4-30-14, indicating no records to disclose; Hiring Policy Compliance Affidavit signed 4-10-13, business indicates employment application developed for purpose of complying with Detroit Hiring Policies, Employment based on resume and interview process.